

PROPOSAL PACKAGE

CC-HOSP002-11

Department of the Interior
National Park Service
Hot Springs National Park

**Proposal to Provide Traditional Bathhouse and
Massage Therapy Visitor Services in
Hot Springs National Park**

Proposals and any modifications of them must be received by the National Park Service by the due date and time shown on the inside cover of this Prospectus and should be addressed to:

National Park Service
Midwest Region
Division of Concessions Management
Attn: Chief of Concessions
601 Riverfront Drive
Omaha, Nebraska 68102
(402) 661-1748

PROPOSAL SUBMISSION TERMS & CONDITIONS

- 1) The Offeror's Transmittal Letter set forth below indicates your acceptance of the terms and conditions of the concession opportunity as set forth in this Prospectus. It indicates your intention to comply with the terms and conditions of the New Contract. The letter, submitted without alteration, must bear original signatures and be included in the Offeror's response package. The Service will review the entire Proposal Package to determine whether your proposal in fact accepts without condition the terms and conditions of this Prospectus. If not, your proposal may be considered non-responsive, even though you submitted an unconditional Offeror's Transmittal Letter.
- 2) The Proposal Package is drafted upon the assumption that an Offeror is the same legal entity that will execute the New Contract as the New Concessioner. If the entity that is to be the New Concessioner is not formally in existence as of the time of submission of a proposal, a proposal must demonstrate that the individuals or organizations that intend to establish the entity that will become the New Concessioner have the ability and are legally obliged to cause the entity to be financially and managerially capable of carrying out the terms of the New Contract. In addition, the Offeror must unconditionally state and guarantee in its proposal that the Offeror will provide the New Concessioner with all funding, management and/or other resources that the proposal offers.

**DO NOT ALTER THIS LETTER - THIS EXACT LETTER MAY BE USED
FAILURE TO SUBMIT THIS LETTER WITH ORIGINAL SIGNATURES
WILL RENDER YOUR OFFER NON-RESPONSIVE**

OFFEROR'S TRANSMITTAL LETTER

To: Regional Director
Midwest Region
National Park Service
601 Riverfront Drive
Omaha, Nebraska 68102

Attention: Concession Program Manager

Dear Regional Director:

The Offeror hereby agrees to provide visitor services at Hot Springs National Park in accordance with the terms and conditions specified in the Concession Contract No. CC-HOSP002-11, provided in the Prospectus issued by the public notice as listed on www.fedbizopps.gov and to execute the draft Concession Contract without substantive modification (except as may be required by National Park Service pursuant to the terms of this Prospectus).

The Offeror is enclosing the required "PROPOSAL" which, by this reference, is made a part hereof.

The Offeror certifies that the information furnished herewith is complete, true, and correct, and recognizes that false statements may subject the Offeror to criminal penalties under 18 U.S.C. §§ 1001. The Offeror agrees to meet all the minimum requirements of the draft Concession Contract and the Prospectus, and that the Offeror has provided all of the mandatory information specified in the Prospectus.

The Offeror certifies, in accordance with 43 CFR Part 42 the following:

Any of the individuals or entities seeking participation in this Concession Contract are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from a public transaction by a federal department or agency.

Within the three years preceding submission of the Proposal, none of the individuals or entities seeking participation in this Concession Contract have been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction, or for violation of federal or state antitrust statutes or for

commission of embezzlement, theft, forgery, bribery, falsification of records, making false statements, or receiving stolen property.

None of the individuals or entities seeking participation in this Concession Contract are presently indicted for or otherwise criminally or civilly charged by a federal, state or local unit of the government with commission of any of the offenses.

The individuals or entities seeking participation in this Concession Contract have not had one or more public transactions (federal, state or local) terminated for cause or default within the three-year period preceding the submission of the Proposal.

The Offeror, by submitting this Proposal hereby agrees, if selected for award of the new Concession Contract:

1. To the minimum requirements of the Prospectus as identified in Part A of this Proposal Package.
2. To complete the execution of the final Concession Contract within thirty working days after it is presented by the National Park Service.
3. To commence operations under the new Concession Contract on the effective date of the new concession contract.
4. To operate under the current, Service-approved rates to visitors, until such time as amended rates may be approved by the Service.
5. To provide the entity that is to be the Concessioner under the draft Concession Contract with the funding, management and other resources described in our proposal.

BY: _____

DATE: _____

Type or Print Name

ORIGINAL SIGNATURE _____

The signature must be an original signature. Photocopies, etc., are unacceptable and the absence of an original signature will render the offer non-responsive.

TITLE: _____

ADDRESS: _____

CERTIFICATE OF CORPORATE OFFEROR

(Offerors who are not corporations should skip this certificate)

I, _____, certify that I am the _____ of the corporation named as Offeror herein; that _____, who signed this proposal on behalf of the Offeror, was then _____ of said corporation; that said proposal was duly signed for and in behalf of the corporation by authority of its governing body within the scope of its corporate powers.

BY: _____ DATE _____

(Type or print name and date)

Original Signature

TITLE _____

ADDRESS _____

PART A

The minimum requirements for the New Contract are identified in this Part A of the Proposal Package. If the Offeror, in its transmittal letter, does not agree to these minimum requirements, the proposal will be considered non-responsive. A copy of Part A must be included in the Offeror's response package. (The requirements of Part B of this Proposal Package outline detailed subfactor submissions referenced in this part, as well as additional secondary selection factors.)

PRINCIPAL SELECTION FACTOR 1. THE RESPONSIVENESS OF THE PROPOSAL TO THE OBJECTIVES, AS DESCRIBED IN THE PROSPECTUS, OF PROTECTING, CONSERVING, AND PRESERVING RESOURCES OF THE PARK AREA.

The Offeror agrees to comply with all terms and conditions in the New Contract, including compliance with all Applicable Laws, including, without limitation, environmental protection and conservation laws, under the terms and conditions specified in the New Contract.

PRINCIPAL SELECTION FACTOR 2. THE RESPONSIVENESS OF THE PROPOSAL TO THE OBJECTIVES, AS DESCRIBED IN THE PROSPECTUS, OF PROVIDING NECESSARY AND APPROPRIATE VISITOR SERVICES AT REASONABLE RATES.

The Offeror agrees to comply with all the terms and conditions specified in the New Contract, including its exhibits.

The Offeror agrees to operate at the current Service approved rates during the term of the Concession Contract until such time as a new rate schedule is approved by the Director, in accordance with 16 U.S.C. §5955. A selected Offeror may request a rate increase at any time after the selection of the best proposal is made by the National Park Service.

The Offeror agrees to accept the Concession Facilities, and any assigned government personal property "as is" as required by the New Contract, Section 8(f).

The Offeror accepts the draft Operating Plan included as Exhibit A of the New Contract.

The Offeror accepts the draft Maintenance Plan included as Exhibit E of the New Contract.

The Offeror agrees to implement an equal opportunity program and comply with the terms of the equal opportunity and handicapped access requirements of the New Contract.

The Offeror agrees to develop and implement an effective health and safety program (Concessioner Risk Management Program), according to the requirements of the Operating Plan for such programs.

The Offeror agrees to meet the public liability and property insurance requirements of the New Contract and agrees to provide property and liability insurance of at least the types and levels of coverage described in the New Contract.

PRINCIPAL SELECTION FACTORS 3 AND 4 DO NOT HAVE MINIMUM REQUIREMENTS FOR THIS PART A. INFORMATION IS REQUIRED FOR PRINCIPAL SELECTION FACTORS 3 AND 4 IN PART B.

PRINCIPAL SELECTION FACTOR 5. THE AMOUNT OF THE PROPOSED MINIMUM FRANCHISE FEE, IF ANY, AND/OR OTHER FORMS OF FINANCIAL CONSIDERATION TO THE DIRECTOR.

The Offeror agrees to at least the minimum Franchise Fee of two percent (2%) of annual gross receipts, per Principal Selection Factor 5.

PART B

When evaluating each selection factor in Part B, the NPS may consider information contained throughout the Offeror's proposal.

Proposed Financial Commitments: If the Offeror proposes financial commitments in response to any selection factor, the responses will be closely reviewed and analyzed against the Offeror's financial statements and supporting documents provided elsewhere in the proposal. Such documents reviewed and analyzed will include but not be limited to the prospective income statements and cash flow statements required in the proposal.

Proposed Investments: A proposal may include offered personal property investments but may not include offers to construct "capital improvements" (including "structures," "major rehabilitations," and "fixtures," as defined in 36 CFR Part 51). Any offers to construct "capital improvements" will not be considered by NPS in the evaluation of proposals.

Please specify at the beginning of your response to Part B which, if any, of the "Authorized" (i.e. optional) services you propose to provide [please refer to the charts on page six of the Business Opportunity section of this Prospectus for additional information regarding "Required" and "Authorized" services].

Your decision regarding whether or not to offer "Authorized" services will not influence the evaluation of the proposal. However, if an "Authorized" service is offered, information regarding it should be submitted in response to applicable Selection Factors and that information will be used to evaluate your response to the Selection Factors.

PRINCIPAL SELECTION FACTOR 1. THE RESPONSIVENESS OF THE PROPOSAL TO THE OBJECTIVES, AS DESCRIBED IN THE PROSPECTUS, OF PROTECTING, CONSERVING, AND PRESERVING RESOURCES OF THE PARK AREA. (0-5 Points)

Note to Offeror:

This Principal Selection Factor is concerned with environmental objectives that relate specifically to the protection of the particular resources of the Park area. Environmental objectives for improvement of the natural environment in general (energy conservation, waste reduction, recycling, etc.) are addressed under Secondary Selection Factor 1. Please avoid overlap between responses here and responses to Secondary Selection Factor 1.

Service Objectives

The Service's objectives under this factor are for the Concessioner to protect, conserve, and preserve the Concession Facilities. The Service has particular concern for the preservation of historic structures, cultural landscapes, and natural resources. The Concession Facility to be assigned to the concessioner under the Contract is a historic structure in a National Historic Landmark District listed on the National Register of Historic Places. All maintenance, repairs, rehabilitation and construction having an effect on cultural resources require compliance with the

Secretary of the Interior's Standards, Section 106 of the National Historic Preservation Act, and possible consultation with the State Historic Preservation Officer. The Secretary of the Interior's Standards can be found at www.cr.nps.gov.

Subfactor 1a: Maintenance of Cultural Resources

The concession facility is a historic structure located in a National Historic Landmark District. Maintenance to the structure is subject to federal laws and NPS Policy. Please refer to Management Policies, Chapter 5, Cultural Resources, at Appendix 5; and the Draft Operating and Maintenance Plans at Exhibits B and H, respectively, of the Draft Contract.

Note to Offeror: There is no Concessions Facilities Improvement Program or Leasehold Surrender Interest associated with the Draft Contract for Concession Facilities. Please note that any response that would incur Leasehold Surrender Interest value will not be considered as a better proposal.¹

1. Please describe your experience, skills, or special knowledge and/or abilities in planning and coordinating with state and/or federal agencies to repair or improve historic structures.
2. Please describe how you intend to ensure that the historic structure assigned to the Concessioner is properly maintained (i.e., scheduled maintenance program).

Subfactor 1b: Protecting Cultural and Natural Resources through Information

Providing information and educating visitors is another method used to protect, preserve and maintain the cultural and natural resources of Hot Springs National Park. Informing and educating visitors about cultural and natural resources and their history are primary goals of the Park.

Describe how you will inform and educate visitors regarding protection of the cultural and natural resources in a manner that will complement, be consistent with, and enhance NPS interpretive efforts. Describe how you will incorporate information regarding the history of the Park's resources into your operations. In particular, describe:

¹ Public Law 105-391 states that a concessioner who constructs a capital improvement upon land owned by the United States within a unit of the National Park System pursuant to a concession contract shall have a leasehold surrender interest in the capital improvement, which is defined as a structure, fixture, or non-removable equipment provided by a concessioner pursuant to the terms of a concession contract. 36 CFR Part 51, Subpart G further describes leasehold surrender interest. Section 8 of the Draft Contract provides that the Concessioner may not construct any capital improvement (as defined in 36 CFR Part 51) upon Area lands.

1. The informational messages and signage you propose in the facility.
2. Other opportunities you will use to inform and educate park visitors. For example:
 - Incorporating the history of the Park's resources onto your website,
 - Distributing, displaying and/or posting brochures, literature, or other sources of information for visitors to review while waiting in pre-bathing lines,
 - or educating the visitor through other points of visitor contact.

Subfactor 1c: Water Conservation

The primary natural resource of Hot Springs National Park and its reason for having been established is the thermal hot springs water. The park desires that the entire concession operation work towards a high level of water efficiency and is interested in understanding the methods that the Concessioner will use to enhance water conservation in its operations.

Please outline the goals you and your organization will set for water conservation in the operation and provide specific targets to achieve these goals. Please provide an example of how you would address this matter at the existing site or where you have set goals for water conservation at another location/venue.

PRINCIPAL SELECTION FACTOR 2. THE RESPONSIVENESS OF THE PROPOSAL TO THE OBJECTIVES, AS DESCRIBED IN THE PROSPECTUS, OF PROVIDING NECESSARY AND APPROPRIATE VISITOR SERVICES AT REASONABLE RATES. (0-5 POINTS)

Service Objectives

The Service's primary objective regarding the visitor services to be provided under the New Contract is for the Concessioner to deliver high quality visitor services at reasonable rates that contribute positively to a visitor's overall experience of their Park visit.

Subfactor 2a: Visitor Experience

For each of the phases listed below, describe how you will provide a quality visitor experience to all visitors regardless of cultural background, language spoken, age, or disabilities.

- Pre-bathing/massage and waiting periods, including waiting in line.
- During the bathing and/or massage service.

Subfactor 2b: Visitor Satisfaction

1. Describe how you propose to ensure visitors are satisfied with the quality of service they received, including but not limited to:
 - Courtesy, appearance and professionalism of employees.
 - Resolution of complaints and timely responses to questions, etc.
 - Website and other sources of information.
2. Describe how you would monitor the success of your concession operation through visitor feedback and other measures. Provide information on the type of questions you would ask visitors, what offered services would be measured and how you would measure successful visitor satisfaction.

PRINCIPAL SELECTION FACTOR 3. THE EXPERIENCE AND RELATED BACKGROUND OF THE OFFEROR, INCLUDING THE PAST PERFORMANCE AND EXPERTISE OF THE OFFEROR IN PROVIDING THE SAME OR SIMILAR VISITOR SERVICES AS THOSE TO BE PROVIDED UNDER THE CONCESSION CONTRACT. (0-5 POINTS)

***Note to Offeror:** To assist in the evaluation of proposals under this and other selection factors, please provide the following information regarding your organizational structure. This information will be utilized for assessing responses to the various selection factors.*

Offeror's Organizational Structure

Describe the entity the Offeror proposes as the Concessioner under the New Contract. Using the forms at the end of this Principal Selection Factor, complete either Form 1 if a corporation or Form 2 if an individual, partnership, or other legally recognized entity. Identify the Offeror and each business organization, operator and any parties involved in the management of the proposed Concession operation. In addition, if the entity that is the proposed New Concessioner is not formally in existence as of the time of submission of the proposal, (1) demonstrate that the individual(s) or organization(s) that intend to establish the entity that will become the New Concessioner have the ability and are legally obliged to cause the entity to be a qualified person as defined in 36 CFR §51.3, and (2) include assurances that the entity that will be the Concessioner (a) will be a qualified person as of the date of award of the New Contract and (b) otherwise have the ability to carry out the commitments made in the proposal.

In addition, provide the following information:

- 1) Identify the individual who is proposed as the point of contact for day-to-day operations and issues.
- 2) Identify all related, subordinate, or superior business organizations and any other organizations, contractors, or subcontractors that will have a significant role in managing, directing, operating, or otherwise carrying out the services to be provided by the Offeror (collectively "Related Entities"). Describe in detail how these relationships will work formally and in practice. Provide an organizational chart showing names and roles for these relationships.
- 3) Identify the principle lines of authority within your business organization.

Subfactor 3a: Operational Experience

Demonstrate that your organization is structured and staffed to effectively carry out the responsibilities of the New Contract by providing the following information:

Clearly outline the organizational structure you intend to use to manage and execute the services contemplated under the New Contract during peak and off peak seasons. To the extent that support services such as purchasing or human resources will be provided by a corporate parent,

clearly identify how this support will benefit the operation. Provide the principle lines of authority between departments and managers.

Describe the qualifications of the person you would employ for each of the following positions: (Include relevant experience, minimum qualifications, certifications (if applicable), and education in a consistent format).

- Corporate officer(s)/executives with responsibility for directly supervising the general manager or any other member of the management team for this New Contract.
- Departmental and/or area managers including retail sales, bathing department, spa department, environmental program, risk management program, and facility management.

(Please note that we request “minimum qualifications” for each position, not resumes of current or prospective employees.)

Subfactor 3b: Human Resources

Explain how the Offeror will provide a high quality, skilled, and motivated employee staff by providing the following information:

- i) The efforts you will undertake to recruit, hire, and retain qualified employees for the operations to be conducted under the contract at all levels within your organization.
- ii) How you will train your employees 1) in the skills required to provide quality customer service, 2) about Park resources to interpret the purpose and significance of Hot Springs National Park, this business within the context of the park and the National Park Service to Park visitors, and 3) in informational and interpretive skills.
- iii) How you will manage the seasonal staffing fluctuation and employee housing needs experienced in this location.

Subfactor 3c: Management of Similar Services

Please describe the Offeror’s previous experience operating a bathhouse or spa business similar to what is described in the Business Opportunity. Specifically address how the Offeror’s past experience will be of benefit when applied to the business described in the Prospectus. Please list no more than four examples. For each operation discussed, include the following basic information as well as any other data that highlights the Offeror’s ability to operate a quality facility.

- Facility name, location, and seasonality
- Number of years of operation

- Services provided
- Average yearly gross receipts
- Average yearly number of employees

Subfactor 3d. Notice of Violations

Has the Offeror, any of its principals and/or Related Entities at any time in the last five years, (whether as a principal or employee of Offeror or otherwise) received:

- (a) Any Notice of Violations (NOVs), fines, and/or penalties from a federal or state regulatory agency? Answer yes or no, and if answering yes, provide the following:
- A description of the NOV, fine and/or penalty
 - When and by whom was the NOV, fine and/or penalty issued?
 - How did you address the NOV, fine and/or penalty?
 - How will you ensure that the problem does not recur?

If answering no to 3d(a), provide the following:

- What would you do in the event of a NOV?
 - How will you make sure you continue to have no NOV?
- (b) Any written notice (given as part of a formal rating process) from any entity for whom the Offeror, any of its principals, and/or Related Entities provided services that the service was rated less than satisfactory. Answer yes or no and, if answering yes, describe the notice and describe any action taken or to be taken to correct the deficiency

FORM 1
BUSINESS ORGANIZATION
CORPORATION
(PRINCIPAL SELECTION FACTOR 3)

Complete separate form for the submitting corporation and any and all parent entities).

Name of Entity	
Address	
Telephone Number	
Fax Number	
Email Address	
Contact Person	
Title	
Tax ID #	
State of Incorporation	
Date of Incorporation	

OWNERSHIP	NUMBER AND TYPE OF SHARES OR PERCENTAGE OF OWNERSHIP	CURRENT VALUE OF INVESTMENT
Names and Addresses of those with controlling interest or key principals of corporation		
Total of All		
Total Shares Outstanding		

CORPORATE OFFICERS AND BOARD OF DIRECTOR	ADDRESS	TITLE AND/OR AFFILIATION

Attach a copy of the following:

- 1) Corporate Charter (Bylaws).
- 2) Articles of Incorporation.
- 3) Certificate from state of incorporation indicating that the entity is in "Good Standing."
- 4) Description relationship of any and all parent entities to the Offeror.

FORM 2
BUSINESS ORGANIZATION AND CREDIT INFORMATION
INDIVIDUAL OR LEGAL ENTITY OTHER THAN A CORPORATION
(PRINCIPAL SELECTION FACTOR 3)

Name of Entity	
Address	
Telephone Number	
Fax Number	
Email Address	
Contact Person	
Title	
Tax ID#	
Form of Business:	
<input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> LLC <input type="checkbox"/> Other (please describe) _____	
Years in Business	

Names And Addresses Of Each Partner Or Sole Proprietor	Percentage of Ownership	Current Value of Business	Role in Providing Concession Services

Attach a copy of the following:

- 1) Partnership Agreement or Joint Venture Agreements or other documents establishing the entity if other than an individual.

PRINCIPAL SELECTION FACTOR 4. THE FINANCIAL CAPABILITY OF THE OFFEROR TO CARRY OUT ITS PROPOSAL. (Scoring: 0-5 Points)

Note to Offeror: In the event that you are not the legal entity that is to be the Concessioner under the Concession Contract, please explain your relationship with the proposed Concessioner and provide the information described below with respect to both you and the proposed Concessioner as applicable.

Section 1. The Availability of Funds to Acquire and Operate the Concession.

Subfactor 4(a). Please list in the format of the table below, the property (such as furniture, massage/manicure/pedicure equipment, office equipment, etc.) with monetary value over \$2,000 that you will be using for this operation. Please note whether you currently own this equipment or not.

[illegible]

Subfactor 4(b). Please estimate the amount of money that you will need to begin operating the business. Only provide estimates for those items that you need to acquire in order to begin operating. Do not include items that you already own. For cash, estimate the amount of cash that you will need to have available (after purchasing any needed personal property items, supplies, “other”) in order to begin operating the business.

Acquisition/Investment Category	Acquisition/Investment Amount
Personal Property (Equipment)	\$
Merchandise and/or Supplies	\$
Working Capital (Cash)	\$
Other (Please Detail)	\$
Total Funds Needed	\$

Subfactor 4(c). Please state the source of the needed funds estimated in 4b.

Subfactor 4(d). Please document your ability to obtain the funds identified in Subfactor 4a and Subfactor 4b (or that you already have them). The documentation must be sufficient to convincingly demonstrate to NPS that the funds are available to you. For example, provide bank statements that demonstrate that you have the funds in hand, or, provide compelling evidence that you will be able to obtain the funds. If you intend to borrow all or part of the funds, provide a commitment letter from the source of the borrowed funds and explain in detail the financial arrangements you propose to use. If funds are to be borrowed from an individual, or a corporation whose primary funding source is an individual, please provide documentation sufficient to demonstrate that the individual has the funds available to lend to you and has agreed to lend you those funds. Additionally provide a statement identifying the terms and conditions of the commitment.

Section 2: Current Financial Position of the Offeror

Subfactor 4(e). Provide copies of your financial statements for the two most recent fiscal years. If financial statements have been audited or reviewed, the related audit or review report, notes to the financial statements and similar explanatory material should be included.

For sole proprietors, the financial statement will be a personal financial statement and should include both an income statement and a balance sheet. An income statement lists all of your income and expenses for your most recent fiscal year. A balance sheet lists everything that you own and everything that you owe as of the day that you apply (or, if you prefer, as of the last day of your most recent fiscal year).

For partnerships and limited liability companies, the financial statements will be a personal financial statement for general partners and all members, and should include both an income statement and a balance sheet. An income statement lists all of your income and expenses for your most recent fiscal year. A balance sheet lists everything that you own and everything that you owe as of the day that you apply (or, if you prefer, as of the last day of your most recent fiscal year).

Subfactor 4(f). Credit Information

Note to Offeror: Questions #1-5 apply to the business and any of the principals in the business.

- 1) Has Offeror ever defaulted from or been terminated from a management or Concession Contract, or been forbidden from contracting by a public agency or private company?
 - ☐ YES ☐ NO
 - If YES, provide full details of the circumstances.
- 2) List any Foreclosures, Bankruptcies, Transfers in Lieu of Foreclosure and/or Work-Out/Loan Modification Transactions during the past 10 years. Attach an *explanation of circumstances, including resolution, bankruptcy plan, and/or other documentation as appropriate*. (If none, so indicate)

Name of Property	City, State	Property Type	Approximate Loan Amount	Lender	Year of Event

- 3) Describe any fines or penalties levied by government agencies during the past 10 years. (If none, so indicate).
- 4) Describe any pending litigation or current lawsuits (other than those covered adequately by insurance) which if adversely resolved would materially impact the financial position of the Offeror. (If none, so indicate).
- 5) A **CURRENT** credit report (within the last six months) from a major credit reporting company such as Equifax, Experian or Dunn & Bradstreet.

Section 3: Demonstrate the financial feasibility of your proposed operations

Subfactor 4(g). Please demonstrate that your proposal is financially feasible (that you will have a reasonable opportunity to make a profit from your business while carrying out the terms and conditions of your proposal). Estimate the amount of income and expenses for the proposed operation for the first five years of operation. Provide this estimate by completing the proforma income statement on the following page. Blank lines are included on the proforma income

statement if you need to provide estimates for expense categories that are not listed. (Describe the categories on the blank lines.) Only revenues and expenses related to the services required or authorized by the contract (inside the park) are to be included in your prospective income statement, not other services outside the park.

Please fully explain the assumptions on which your projections are based and detail them sufficiently to determine whether the projections are realistic. Revenue estimates should be provided by department, if applicable. If the projections show significantly increased revenues from the information provided in the prospectus, the changes should be fully explained.

(Note to Offeror: If you are not familiar with making these types of projections, you are encouraged to consult an accountant or business advisor.)

PROFORMA INCOME STATEMENT						
<i>Please Note: depending on the dollar threshold, some lines may not be used, please place "N/A" in these lines</i>						
1.	Gross Receipts ⁽¹⁾	Year 1	Year 2	Year 3	Year 4	Year 5
2.	Traditional Bathing Sales					
3.	Massage Therapy Sales					
4.	Spa Treatment Sales, Manicures, Pedicures, Facials, and Paraffin Treatments					
5.	Merchandise Sales					
6.	Other (Describe)					
7.	Total Gross Receipts (Add lines 2-6)					
8.	Cost of Sales					
9.	Total Cost of Sales					
10.	Gross Profit (Line 7 minus line 9)					
11.	Direct Expenses					
12.	Salaries and Wages					
13.	Payroll Taxes and Benefits					
14.	Operating Supplies					
15.	Car and Truck Expenses					
16.	Other Direct Expenses (Describe)					
17.	Total Direct Expenses (add lines 12-16)					
18.	Undistributed Expenses					
19.	Administrative and General ⁽²⁾					
20.	Marketing (Advertising)					
21.	Utilities					
22.	Repair and Maintenance					
23.	Total Undistributed Expenses (Add lines 19-22)					
24.	Fixed Expenses					
25.	Insurance ⁽³⁾					
26.	NPS Franchise Fee					
27.	Other (Describe)					

28.	Total Fixed Expenses (add lines 25-27)					
29.	EBITDA ⁽⁴⁾ (Line 10, minus lines 17, 23 & 28)					
30.	Depreciation and Amortization					
31.	Interest					
32.	Net Income Before Income Taxes (Line 29, minus lines 30 & 31)					

Only revenues and expenses related to the services required or authorized by the contract (inside the park) are to be included in your prospective income statement, not other services outside the park.

- 1) The Gross Receipts projection must be based on the current approved rate schedule. If applicable, show gross receipts by departments (separate revenue activities- e.g., traditional bathing sales, massage therapy sales, spa sales, merchandise sales, or other, etc.)
- 2) Administrative and General should include the costs of managing the business. Costs may include items such as: credit card commissions; legal and accounting fees; travel, meals and entertainment; postage and printing; professional training; and telecommunications expenses, etc.
- 3) Insurance: As required in Exhibit F of the Draft Contract
- 4) Earnings before Interest, Taxes, Depreciation and Amortization

OPERATING ASSUMPTIONS – PROFORMA INCOME STATEMENT

Annual Projections for the First Five Years of the Contract

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue Inflation Rate					
Expense Inflation Rate					
Traditional Bathing Sales*					
Number of Bath Packages					
Revenue per Bath Package					
Massage Therapy Sales*					
Number of Massages					
Revenue per Massage					
Spa Treatment Sales* <i>Manicures, Pedicures, Facials, and Paraffin</i>					
Number of Spa Treatments					
Revenue per Spa Treatment					
Other Sales* (Describe)					
Number of Other (if applicable)					
Revenue per Other (if applicable)					
Estimated Income Tax					
Merchandise Sales*					
Net Income					

*Provide assumptions

PROFORMA CASH FLOW STATEMENT

Annual Projections for the First Five Years of the Contract

	Year 1	Year 2	Year 3	Year 4	Year 5
Operating Activities					
Net Income					
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities					
Depreciation and Amortization					
Gain/Loss on Sale of Fixed Assets					
Other					
Net Cash Provided by Operating Activities					
Financing Activities					
Dividends					
Notes Payable					
Proceeds from Loans					
Other					
Net Cash Used in Financing Activities					
Investments					
Purchase of Assets					
Proceeds from Sale of Assets					
Other					
Net Cash Used in Investing Activities					
Total Cash Flow					
Cash-Beginning of Year					
Cash-End of Year					

PRINCIPAL SELECTION FACTOR 5. THE AMOUNT OF THE PROPOSED MINIMUM FRANCHISE FEE, IF ANY, AND/OR OTHER FORMS OF FINANCIAL CONSIDERATION TO THE DIRECTOR. (0-4 POINTS)

The minimum franchise fee acceptable to the Service is two percent (2%) of gross receipts.

The offer of a higher franchise fee than this minimum is generally beneficial to the Service and accordingly will generally result in a higher score under this selection factor. However, consideration of revenue to the United States is subordinate to the objectives of protecting, conserving, and preserving resources of the Area and of providing necessary and appropriate visitor services to the public at reasonable rates.

State the amount of franchise fee that you propose. Such fee must at least equal the minimum franchise fee set forth above. Express this fee as a percentage of annual gross receipts. Do not propose a franchise fee percentage that changes by the level of gross receipts or by the year of the Contract. Do not propose any other forms of financial consideration to the Director.

_____ percent of annual gross receipts

SECONDARY SELECTION FACTORS

SECONDARY SELECTION FACTOR 1. THE QUALITY OF THE OFFEROR'S PROPOSAL TO CONDUCT ITS OPERATIONS IN A MANNER THAT FURTHERS THE PROTECTION, CONSERVATION AND PRESERVATION OF THE PARK AREA AND OTHER RESOURCES THROUGH ENVIRONMENTAL MANAGEMENT PROGRAMS AND ACTIVITIES, INCLUDING, WITHOUT LIMITATION, ENERGY CONSERVATION, WASTE REDUCTION, AND RECYCLING. (0-3 POINTS)

Note to Offeror: *This secondary selection factor focuses on environmental management programs and activities that promote general environmental objectives such as waste reduction, recycling, green procurement, etc. Please avoid overlap between your response here and your response to Principal Selection Factor 1.*

Environmental Stewardship

The park is interested in having the Concessioner adopt and implement innovative environmental management strategies. Describe, in narrative form, your plans for communicating an environmental leadership ethic to park visitors, the community, and your own employees, as it relates to the cultural and natural resources of the park and, more generally, to the environment. At a minimum your response should address the following:

1. What ideas, concepts, and procedures, and through what media will information be provided to the visitors, the community, and your staff to help understand the need for wise environmental management at the park and in the visitor services provided?
2. How will your efforts support the park in making innovative environmental management decisions?

SECONDARY SELECTION FACTOR 2. VISITOR SERVICES. (0-3 POINTS)

An important Service objective is to increase the diversity and number of visitors who take advantage of the services provided under the Draft Contract.

Increased Visitor Participation

Please describe any special events, marketing programs, tourism planning, extended hours, or other actions that you would take to meet this objective. Your response should include specific action items with a description of what you would do, estimates of extraordinary costs, and an estimate of the results you would expect from such a program.